

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:2532
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CHALLENGE PAPER PUBLISHED BY WTO
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the challenge paper published by WTO's agricultural negotiations chair has shown more concern for developed countries by giving more flexibilities than developing countries;
- (b) if so, the details thereof; and
- (c) the steps taken/proposed to be taken by the Government to safeguard the agricultural interest of our country and other developing countries?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

(a) & (b): On 17 July 2007, the Chairman of the WTO Committee on Agriculture (Special Session) came out with a Draft Modalities Text (DMT) on Agriculture negotiations concerning market access and domestic support. The salient features of the DMT are the following.

(i) Under Market Access, as proposed by the G-20 alliance of which India is a member, separate tariff bands have been proposed for developed and developing countries. However, the cuts proposed for developed countries are somewhat lower than the proposals made by the G-20.

(ii) The DMT proposes self-designation of Special Products (SPs) on the basis of indicators, to be negotiated by WTO Members, which are open to verification against international/ national data. On the treatment of SPs, the DMT has proposed that all SPs should take some tariff cuts, which is contrary to the G-33 proposal that at least 50% of SPs should be exempt from taking any tariff cuts.

(iii) The DMT has proposed that Special Safeguard Mechanism will respond to the needs of farmers in developing countries, i.e. rural development, food security and livelihood security needs. Accordingly, it has been proposed that SSM should not be available to imports per se but only for domestically produced products and substitutes of these products. The DMT further states that a lot of technical work is needed before a precise text can be developed.

(iv) On Domestic Support, the DMT has made some proposals for reductions in the Overall Trade Distorting Domestic Support (OTDS) and the Aggregate Measurement of Support (AMS).

(c): The needs and interests of the developing countries including the least-developed among them are at the heart of the Doha Work Programme. A substantial and effective reduction in domestic support and tariffs in agriculture by developed countries while enabling developing countries to protect and promote the interests of their low income and resource poor farmers is a key priority for India in the negotiations. The flexibilities available to developing countries would be utilized for protecting the sensitive sectors in non-agriculture from the impact of tariff reductions or bindings.